

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 92-032-C - ORDER NO. 92-582  
JULY 23, 1992

IN RE: Application of Trans National	)	
Communications, Inc. d/b/a Members'	)	
Long Distance Advantage for a	)	
Certificate of Public Convenience	)	ORDER GRANTING
and Necessity to Operate as a	)	CERTIFICATE
Reseller of Telecommunications	)	
Services within the State of South	)	
Carolina.	)	

This matter comes before the Public Service Commission of South Carolina (the Commission) by way of the Application of Trans National Communications, Inc. d/b/a Members' Long Distance Advantage (Trans National) requesting a Certificate of Public Convenience and Necessity authorizing it to operate as a reseller of telecommunications services in the State of South Carolina. Trans National's Application was filed pursuant to S.C. Code Ann. §58-9-280 (1976) and the Regulations of the Public Service Commission of South Carolina.

The Commission's Executive Director instructed Trans National to publish a prepared Notice of Filing in newspapers of general circulation in the affected areas one time. The purpose of the Notice of Filing was to inform interested parties of Trans National's Application and the manner and time in which to file the appropriate pleadings for participation in the proceeding.

Trans National complied with this instruction and provided the Commission with proof of publication of the Notice of Filing. Petitions to Intervene were filed by Southern Bell Telephone & Telegraph Company (Southern Bell) and the South Carolina Department of Consumer Affairs (the Consumer Advocate).

A hearing was commenced on May 14, 1992, at 10:30 a.m. in the Commission's Hearing Room. The Honorable Marjorie Amos-Frazier, Chairman, presided. Frank R. Ellerbe, III, Esquire, represented Trans National. Caroline N. Watson, Esquire, represented Southern Bell; Carl F. McIntosh, Esquire, represented the Consumer Advocate; and Marsha A. Ward, General Counsel, represented the Commission Staff.

#### FINDINGS OF FACT

1. Trans National is a privately-held corporation incorporated in the State of Massachusetts. Trans National is a non-facilities based switchless reseller which provides interstate, interexchange long distance telephone service. Trans National seeks a Certificate of Public Convenience and Necessity to operate as a reseller of interexchange services on an interLATA basis within the State of South Carolina. Application.

2. Trans National presented the testimony of John Vancura, Tax Manager for the Company. Mr. Vancura testified that Trans National's underlying carrier is U. S. Sprint and that the Company planned to resell services identified as Dial 1 WATS, FONLINEsm 800, UltraWATS, Ultra 800sm, and FONCARDsm. Mr. Vancura explained Trans National would only provide interLATA operator

services through U.S. Sprint. Mr. Vancura admitted that Trans National had completed intrastate long distance calls in South Carolina without having received certification. According to its Application, Trans National agrees to abide by all applicable Commission rules, regulations, and Orders.

3. At the beginning of the hearing, Southern Bell placed a stipulation between itself and Trans National in the record. According to the terms of this stipulation, the Company agreed that any grant of authority would be for interLATA services only, all operator services would be only for interLATA calls and "0+" or "0-" intraLATA calls would be handed off to the local exchange company, and that if any intraLATA calls were inadvertently completed, Trans National would have the local exchange company reimbursed pursuant to Order No. 86-793 in Docket No. 86-187-C. Southern Bell agreed that Trans National should not be prohibited from offering any services authorized for resale by tariffs of facility-based carriers and which have been approved by the Commission.

4. During the course of the hearing, the Company agreed to delete Sections 2.6 and 2.7 relating to deposits and advance payments, respectively, from the final tariff.

5. At the conclusion of the hearing, the Consumer Advocate moved that the Commission require Trans National to refund all money collected from South Carolina subscribers for completion of long distance calls within the State prior to its certification.

CONCLUSIONS OF LAW

1. The Commission concludes that Trans National has the experience, capability, and resources to provide the service described in its Application and by Mr. Vancura's testimony.

2. Accordingly, the Commission determines that a Certificate of Public Convenience and Necessity should be granted to Trans National to provide intrastate, interLATA service through the resale of intrastate Wide Area Telecommunications Services (WATS), Message Telecommunications Services (MTS), Foreign Exchange Service, Private Line Services, or any other services authorized for resale by tariffs of facility-based carriers approved by the Commission. Should Trans National complete any unauthorized intrastate intraLATA calls then the Company will be required to compensate the local exchange companies for the unauthorized calls it carries pursuant to Commission Order No. 86-793 in Docket No. 86-187-C.

3. The Commission adopts a rate design for Trans National for its resale services which includes only maximum rate levels for each tariff charge. A rate structure incorporating maximum rate levels with the flexibility for adjustment below the maximum rate levels has been previously adopted by the Commission. In Re: Application of GTE Sprint Communications Corporation, etc., Order No. 84-622, issued in Docket No. 84-10-C (August 2, 1984).

4. Trans National shall not adjust its rates below the approved maximum level without notice to the Commission and to the public. Trans National shall file its proposed rate changes,

publish its notice of such changes, and file affidavits of publication with the Commission two weeks prior to the effective date of the changes. Any proposed increase in the maximum rate level reflected in the tariff which would be applicable to the general body of Trans National's subscribers shall constitute a general ratemaking proceeding and will be treated in accordance with the notice and hearing provisions of S.C Code Ann. §58-9-540 (Supp. 1991).

5. Trans National shall file its maximum rate tariff and an accompanying price list in a loose leaf binder to reflect the Commission's findings within thirty (30) days of the date of this Order.

6. Trans National is subject to access charges pursuant to Commission Order No. 86-584, in which the Commission determined that for access purposes resellers should be treated similarly to facilities-based interexchange carriers.

7. With regard to Trans National's resale of services, an end user should be able to access another interexchange carrier or operator service provider if they so desire.

8. Trans National shall resell the services of only those interexchange carriers or local exchange carriers authorized to do business in South Carolina by this Commission. If Trans National changes underlying carriers, it shall notify the Commission in writing.

9. Trans National shall file surveillance reports on a calendar or fiscal year basis with the Commission as required by Order No. 88-178 in Docket No. 87-483-C. The proper form for these reports is indicated on Attachment A.

10. Any portions of Southern Bell and Trans National's stipulation not specifically addressed by this Order are hereby incorporated into this Order.

11. That Sections 2.6 and 2.7 of the Company's proposed tariff shall be deleted from the Company's final tariff.


12. That the Motion of the Consumer Advocate for this Commission to require Trans National to refund all money collected from South Carolina subscribers for completion of long distance calls within the state prior to Trans National's certification is hereby granted. Trans National shall forthwith refund all such monies with 12% interest and provide verification for the Commission Staff's review that such refunds have been made.

13. This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
VICE Chairman

ATTEST:

  
Executive Director  
(SEAL)

DOCKET NO. 92-032-C -- ORDER NO. 92-582  
JULY 23, 1992  
ATTACHMENT A

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ANNUAL INFORMATION ON SOUTH CAROLINA OPERATIONS  
FOR INTEREXCHANGE COMPANIES AND AOS'S

(1) SOUTH CAROLINA OPERATING REVENUES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(2) SOUTH CAROLINA OPERATING EXPENSES FOR THE 12 MONTHS ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(3) RATE BASE INVESTMENT IN SOUTH CAROLINA OPERATIONS\* FOR 12  
MONTHS ENDING DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

\* THIS WOULD INCLUDE GROSS PLANT, ACCUMULATED DEPRECIATION,  
MATERIALS AND SUPPLIES, CASH WORKING CAPITAL, CONSTRUCTION  
WORK IN PROGRESS, ACCUMULATED DEFERRED INCOME TAX,  
CONTRIBUTIONS IN AID OF CONSTRUCTION AND CUSTOMER  
DEPOSITS.

(4) PARENT'S CAPITAL STRUCTURE\* AT DECEMBER 31 OR FISCAL YEAR  
ENDING \_\_\_\_\_.

\* THIS WOULD INCLUDE ALL LONG TERM DEBT (NOT THE CURRENT  
PORTION PAYABLE), PREFERRED STOCK AND COMMON EQUITY.

(5) PARENT'S EMBEDDED COST PERCENTAGE (%) FOR LONG TERM DEBT AND  
EMBEDDED COST PERCENTAGE (%) FOR PREFERRED STOCK AT YEAR ENDING  
DECEMBER 31 OR FISCAL YEAR ENDING \_\_\_\_\_.

(6) ALL DETAILS ON THE ALLOCATION METHOD USED TO DETERMINE THE  
AMOUNT OF EXPENSES ALLOCATED TO SOUTH CAROLINA OPERATIONS AS  
WELL AS METHOD OF ALLOCATION OF COMPANY'S RATE BASE INVESTMENT  
(SEE #3 ABOVE).